

Appendix 8-1
Bonding and Insurance

To be attached to and form a part of

Bond No. 4689175

Type of
Bond: Reclamation

dated
effective May 10, 1990
(MONTH-DAY-YEAR)

executed by Genwal Coal Company
(PRINCIPAL)

, as Principal,

and by SAFECO INSURANCE COMPANY OF AMERICA

, as Surety,

in favor of State of Utah
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing

The bond penalty from \$268,000.00 (Two Hundred Sixty Eight Thousand dollars & no/100)
to \$703,000.00 (Seven Hundred Three Thousand dollars and no/100)

And adding the wording:

"In the event the Cooperative Agreement between the Division and OSM
is terminated, then the portion of the bond covering the Federal
Lands will be payable only to the United States, Department of
Interior, Office of Surface Mining."

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider
is effective September 21, 1993
(MONTH-DAY-YEAR)

Signed and Sealed September 7, 1993
(MONTH-DAY-YEAR)

(PRINCIPAL)
By: Genwal Coal Company - Treasurer
(PRINCIPAL)

SAFECO INSURANCE COMPANY OF AMERICA

By: Georgia L. Nelson
(ATTORNEY-IN-FACT) Georgia L. Nelson



POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

KNOW ALL BY THESE PRESENTS:

No. 8318

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

..... GEORGIA L. NELSON

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

THIS 4th day of January, 19 93

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out:

- (i) The provisions of Article V, Section 13 of the By-Laws, and
 - (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
 - (iii) Certifying that said power-of-attorney appointment is in full force and effect,
- the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 7th day of September, 19 93

May 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND #4689175
Annual Premium: \$3,350.00

Permit Number : ACT/015/032
Expiration Date: May 13, 1993

(FEDERAL COAL)
SURETY BOND

THIS SURETY BOND entered into and by and between the undersigned OPERATOR, and SURETY COMPANY, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns, unto the State of Utah, Division of Oil, Gas and Mining, and, the U. S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSMRE) in the penal sum of Two Hundred Sixty-Eight Thousand and no/100 dollars (\$268,000.00) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this reclamation agreement.

This SURETY BOND shall remain in effect until all applicable rules and the OPERATOR'S reclamation obligation have been met and released by the Division of Oil, Gas and Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

May 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

So agreed this 10th day of May, 1990.

FOR THE OPERATOR:

GENWAL COAL COMPANY

by:

[Signature] TREAS

FOR THE SURETY:

SAFECO INSURANCE COMPANY OF AMERICA

by:

[Signature]
Crysta U. Powell, attorney-in-fact

COUNTERSIGNED FOR UTAH:

MERIT INSURANCE AGENCY, INC.

by:

[Signature]

ACCEPTED BY THE STATE
OF UTAH:

by: _____

Note: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this agreement. If the Principal is a corporation the agreement shall be executed by its duly authorized officer.

ACORD

CERTIFICATE OF INSURANCE

CSF

ISSUE DATE (MM/DD/YY)

01/21/93

PRODUCER

PRICE INSURANCE AGENCY
54 WEST MAIN ST. P.O. BOX 871
ICE, UT
801-0871
ROY A. NIKAS
801-637-3351

INSURED

NEVADA ELECTRIC
INVESTMENT COMPANY, INC. etal
P. O. BOX 1201
HUNTINGTON, UT
84528-1201

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A FEDERAL INS. (CHUBB GROUP)
LETTER

COMPANY B
LETTER

COMPANY C
LETTER

COMPANY D
LETTER

COMPANY E
LETTER

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	3710-3989	01/01/93	01/01/94	GENERAL AGGREGATE \$ 2,000,00
	X COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 2,000,00
	CLAIMS MADE X OCCUR				PERSONAL & ADV. INJURY \$ 1,000,00
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1,000,00
					FIRE DAMAGE (Any one fire) \$ 50,00
					MED. EXPENSE (Any one person) \$ 5,00
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION				STATUTORY LIMITS
	AND				EACH ACCIDENT \$
	EMPLOYERS' LIABILITY				DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

XCUI COVERAGES ARE INCLUDED IN FORM: \$1000 DEDUCTIBLE PROPERTY DAMAGE;
ADD'L NAMED INSUREDS: GENWAL COAL CO., INC. & CASTLE VALLEY RESOURCES, INC.
MINE NAME: GENWAL COAL COMPANY CRANDALL CANYON MINE NUMBER ACT 015-032
MINE NAME: WELLINGTON LOADOUT MINE NUMBER ACT 007-012

CERTIFICATE HOLDER

STATE OF UTAH DIVISION OF OIL,
GAS & MINING
355 WEST NORTH TEMPLE
111 TRIAD CENTER SUITE 350
SLC UT 84180-1203

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~BE REQUIRED TO~~ certifi
MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, ~~BY MAIL TO THE ADDRESS OF THE CERTIFICATE HOLDER NAMED TO THE~~
~~LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

ROY A. NIKAS

PRICE INSURANCE AGENCY
"All Kinds of Insurance"
54 West Main St. P. O. Box 871
Price, Utah 84501-0871
FAX 801-637-0503
1-801-637-3351 or 1-800-464-3351

January 28, 1993

Nevada Electric Investment Company, Inc.
Genwal Coal Company, Inc.
Castle Valley Resources, Inc.
P. O. Box 1201
Huntington, UT 84528-1201

Attn.: Larry Johnson
RE: Policy #3710-3989
Federal Insurance Co. (Chubb Group)

Dear Larry,

This letter is to confirm the handling of your \$1000 property damage deductible will be the same as prior years. The insurance company investigates the claim, has all proper documentation completed (i.e. proof of loss, releases, etc.), and issues the appropriate check to the claimant. Afterwards, the insurance company collects any deductible amount from the Insured. This makes sure the claimant is satisfied and not awaiting a deductible check from the Insured.

The above described procedure is common with most insurance companies nationwide. If you have any questions, please contact me. Thank you.

Sincerely,



Roy A. Nikas